



Matthew W. Gissendanner
Assistant General Counsel

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June 15, 2018

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: South Carolina Electric & Gas Company's Filing of Quarterly Monitoring Report for the twelve-month period ending March 31, 2018, and Proposed Rate Adjustments pursuant to the Natural Gas Rate Stabilization Act
Docket No. 2018-6-G

Dear Ms. Boyd:

On April 26, 2005, South Carolina Electric & Gas Company ("SCE&G" or "Company") filed an application pursuant to S.C. Code Ann § 58-5-240 (1976, as amended) for adjustments in the Company's natural gas rate schedules and tariffs. See docket No. 2005-113-G. In the application, SCE&G elected to have the terms of the Natural Gas Rate Stabilization Act, S.C. Code Ann. § 58-5-400 *et seq.* (2015), apply to the Company's rates and charges for natural gas distribution services thereafter. In accordance with S.C. Code Ann. §§ 58-5-430 and 440 (2015), SCE&G hereby submits for filing with the Public Service Commission of South Carolina the Company's Quarterly Monitoring Report for the twelve-month period ending March 31, 2018, and Proposed Rate Adjustments.

By copy of this letter, and pursuant to S.C. Code Ann. § 58-5-430 and § 58-5-455 (2015), we are also serving the South Carolina Office of Regulatory Staff with a copy of the enclosed documents and attach a certificate of service to that effect.

If you have any questions, please advise.

Very truly yours,

Matthew W. Gissendanner

MWG/kms

Enclosures

cc: Dawn Hipp
Jay R. Jashinsky
Jeffrey M. Nelson, Esquire
(all via electronic mail and U.S. Mail w/enclosures)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2018-6-G

IN RE:

South Carolina Electric & Gas Company's)
 Filing of Quarterly Monitoring Report for)
 the twelve-month period ending March 31,)
 2018, and Proposed Rate Adjustments)
 pursuant to the Natural Gas Rate)
 Stabilization Act)

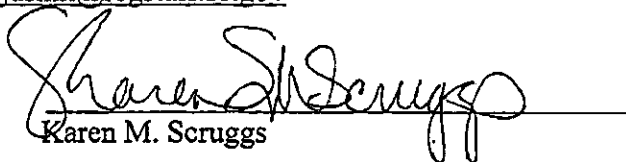
**CERTIFICATE OF
 SERVICE**

This is to certify that I have caused to be served this day one (1) copy of South Carolina Electric & Gas Company's **Quarterly Monitoring Report for the Twelve-Month Period ending March 31, 2018, and Proposed Rate Adjustments pursuant to the Natural Gas Rate Stabilization Act** to the persons named below at the addresses set forth:

Dawn Hipp
 Office of Regulatory Staff
 1401 Main Street, Suite 900
 Columbia, SC 29201
dhipp@regstaff.sc.gov

Jeffrey M. Nelson, Esquire
 Office of Regulatory Staff
 1401 Main Street, Suite 900
 Columbia, SC 29201
jnelson@regstaff.sc.gov

Jay Jaskinsky
 Office of Regulatory Staff
 1401 Main Street, Suite 900
 Columbia, SC 29201
jjashin@regstaff.sc.gov


 Karen M. Scruggs

Cayce, South Carolina
 This 15th day of June, 2018

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA
DOCKET NO. 2018-6-G

IN RE:

South Carolina Electric & Gas Company's) Filing of Quarterly Monitoring Report for) the Twelve-Month Period ending March 31,) 2018, and Proposed Rate Adjustments) pursuant to the Natural Gas Rate) Stabilization Act.) <hr style="width: 100%;"/>	QUARTERLY MONITORING REPORT FOR THE TWELVE-MONTH PERIOD ENDING MARCH 31, 2018, AND PROPOSED RATE ADJUSTMENTS
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Pursuant to S.C. Code Ann § 58-5-430 (2015) and § 58-5-440 (2015) of the Natural Gas Rate Stabilization Act ("RSA" or "Act"), South Carolina Electric & Gas Company ("SCE&G" or "Company") hereby files with the Public Service Commission of South Carolina ("Commission") its quarterly monitoring report for the twelve-month period ending March 31, 2018, and proposed adjustments to its rates and charges which will have the effect of lowering SCE&G's return on equity to the midpoint of the range of rate of return on common equity as established in the Company's most recent general rate case for natural gas service. *See* Docket No. 2005-113-G. SCE&G respectfully requests that the Commission accept and review the attached exhibits, and pursuant to S.C. Code Ann. § 58-5-455 (2015), issue an Initial Order approving the proposed rate adjustments set forth in this filing on or before October 15, 2018.

In support of this filing, the Company would respectfully show unto this Commission the following key facts and would request of the Commission for the following relief:

1. Corporate counsel for SCE&G in this proceeding is as follows:

K. Chad Burgess, Esquire
 Matthew W. Gissendanner, Esquire
South Carolina Electric & Gas Company
 220 Operation Way, Mail Code C222
 Cayce, South Carolina 29033
 Telephone: 803-217-8141
 Facsimile: 803-217-7810
 Email: chad.burgess@scana.com
 Email: matthew.gissendanner@scana.com

All pleadings, correspondence and communication related to this filing should be addressed to the Company's authorized representatives as stated hereinabove.

2. On April 26, 2005, SCE&G filed an application ("Application"), pursuant to S.C. Code Ann. § 58-5-240 (1976, as amended), for, among other things, approval of adjustments in the Company's natural gas rate schedules and tariffs. *See* Docket No. 2005-113-G. In its Application, SCE&G elected to have the terms of the Act apply to SCE&G's rates and charges for gas distribution services thereafter.

3. All the parties in Docket No. 2005-113-G entered into a settlement agreement ("Settlement Agreement"), which was adopted by the Commission and incorporated into and made part of Commission Order No. 2005-619. *See* Order No. 2005-619, Order Exhibit No. 1. At the conclusion of proceedings in Docket 2005-113-G, the Commission issued Order No. 2005-619 finding, among other things, as follows:

In the Application SCE&G elected to have the rates established in this proceeding come under the Natural Gas Rate Stabilization Act ("RSA"), S.C. Code §§ 58-5-400 *et. seq.* (2005). Pursuant to the RSA Section 58-5-420(1), the Commission is required to specify a range for SCE&G's cost of equity that includes a band of fifty basis points (0.50 percentage points) below and fifty basis points (0.50 percentage points) above the cost of equity on which rates have been set. Based on the stipulations of all Parties in the Settlement, and the cost of equity of 10.25% therein established, the Commission specifies a range of 9.75% to 10.75% as the range of return on equity to be used in administering the provisions of the RSA for SCE&G until further order.

See Order No. 2005-619, p.7.

4. In its Application in Docket No. 2005-113-G, SCE&G requested that the Commission make findings related to SCE&G's revenues, expenses, capital structure, returns, and other matters as required by S.C. Code Ann. § 58-5-410 (1976, as amended) and § 58-5-420 (1976, as amended).

5. In Order No. 2005-619, the Commission found as follows:

The RSA at Section 58-5-420(2) requires the Commission to make findings related to specific categories of revenue, expense and investment. All the required findings are set forth in Exhibit C of the Settlement which is incorporated as part of this Order.

See Order No. 2005-619, p. 7.

6. The Commission has not issued any general rate order concerning SCE&G's natural gas operations since the issuance of Order No. 2005-619.

7. In accordance with Order No. 2005-619, and pursuant to the requirements of § 58-5-430, attached hereto as Exhibit A is the information contained in Exhibit C of the Settlement Agreement updated for the twelve-month period ending March 31, 2018.

8. SCE&G has made pro forma and other adjustments to its per books financial data as required by § 58-5-430(2), (3) and (4). A schedule setting forth the details of these pro forma and other adjustments is included in Exhibit A.

9. In compiling the financial information contained in Exhibit A, SCE&G has excluded from its capital structure the effects of impairments recorded for financial reporting purposes in response to uncertainties concerning the recovery of its investment in the new nuclear development project as such recovery is required under the Base Load Review Act, S.C. Code Ann. § § 58-33-210 *et seq.* SCE&G believes that law and regulatory policy support the full

recovery of the amounts in question and that it constitutes an unlawful confiscation of private property to deny recovery of these amounts. Accordingly, and in keeping with its position in regulatory proceedings and filings associated with its base electric business and filings associated with the recovery of new nuclear project investment, SCE&G has computed the returns set forth herein based on its pre-impairment capital structure of 53.13 % equity and 46.87% debt.

10. As indicated in Exhibit A, during the twelve-month period ended March 31, 2018, SCE&G earned a return on its gas distribution operations after pro forma adjustments that was above the 10.75% upper end of its allowable rate of return range on common equity established in Order No. 2005-619.

11. As required by § 58-5-440(1), Exhibit A contains a calculation indicating the reduction in revenue required to lower SCE&G's rate of return on common equity to the midpoint of the range of 10.25% established in Order No. 2005-619.

12. By Order No. 2018-308, dated April 25, 2018, the Commission ordered natural gas utilities to track and defer as a regulatory liability the effects resulting from the Tax Cuts and Jobs Act ("Tax Act"), which reduced the federal corporate tax rate from 35% to 21% effective January 1, 2018, and to be prepared to address Tax Act savings in their next RSA proceedings.

13. In December 2017, SCE&G re-measured all federal deferred income tax assets and liabilities to reflect a 21% federal statutory tax rate. The amortization of amounts arising from re-measurement is being deferred until such time as the Commission determines how the benefits will be realized by customers. In the first quarter of 2018, SCE&G begin deferring estimates of income tax amounts charged through customer rates that relate to the effects of the Tax Act as amounts subject to refund. Such deferrals include the accrual of estimated carrying costs.

14. The known and measurable change due to the Tax Act has been included in the proforma results for the twelve-month period ended March 31, 2018, and SCE&G's earned return on its gas distribution operations, including the amortization of excess deferred taxes.

15. By Order No. 2014-1034, dated December 17, 2014, the Commission authorized SCE&G to defer, as a regulatory asset, and amortize certain costs incurred as a result of complying with certain regulations promulgated by the United States Department of Transportation Pipeline and Hazardous Materials Safety Administration ("PHMSA"). SCE&G is currently amortizing the regulatory asset in a levelized annual amount of \$1,881,143 and accruing carrying costs on the balance of the regulatory asset.

16. Setting SCE&G's amortization expense for operating and maintaining its pipeline integrity management plans at a levelized amount eliminates the variability of this expense which could adversely impact SCE&G's natural gas customers by causing base rates to fluctuate. However, given the current nature of the integrity management programs and the increased level of annual costs being incurred to comply with these regulations, in order to continue to recover its costs in a timely manner SCE&G respectfully requests the Commission authorize it to increase the levelized annual amortization amount for the regulatory asset authorized by Order No. 2014-1034 by \$1,301,127 to \$3,182,300 beginning in November 2018 and to continue to accrue carrying costs on the balance of the regulatory asset account as of the end of each month as set forth in Order No. 2014-1034.

17. Attached hereto as Exhibit B are the new rates and charges for gas service which have been designed in such a manner so as to lower the Company's rate of return on common equity to the midpoint of the range of 10.25% as set by the Commission in Order No. 2005-619 and provide SCE&G with an opportunity to earn the midpoint of the range of 10.25%.

18. As required by § 58-5-440, the proposed rate adjustments contained in Exhibit B conform with the revenue allocation principles set forth in Order No. 2005-619.¹

19. Pursuant to § 58-5-455 (2015), SCE&G proposes to implement the rates reflected in Exhibit B for bills rendered on and after the first billing cycle of November 2018.

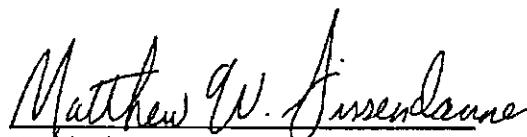
20. The tariffs set forth in Exhibit B include a decrement rider ("Tax Reform Rate Rider") for the refund of income tax amounts charged through customer rates relating to the effects of the Tax Act and deferred in a regulatory liability in the first quarter of 2018. The decrement rider will expire after the last billing cycle of October 2019. To the extent customers are over-credited or under-credited, the over-credited or under-credited amount will be placed in a deferred account with interest at the 3-year U.S. Government Treasury Notes, as reported by the *Wall Street Journal*, either in its print edition or on its website, plus an all-in spread of 65 basis points (0.65 percentage points), to be recovered or returned in a future RSA proceeding.

21. In accordance with S.C. Code Ann. § 58-5-430 and § 58-5-455(1), on the same day, and by the same means, a copy of this filing is being served upon and filed with the South Carolina Office of Regulatory Staff. In addition, the Company is required to simultaneously mail or electronically transmit copies of this filing, including all attachments, to any interested parties who have requested in writing to receive such filing. As of the date hereof, there are no interested parties who have requested in writing that they receive a copy of this filing and therefore none is being provided.

¹ Pursuant to Commission Order No. 2006-679 issued in Docket No. 2006-5-G, the Company may adjust the cost of gas factors monthly, under the standards and procedures of that order as modified by Commission Order No. 2009-910 issued in Docket No. 2009-5-G. Any such adjustments, however, will not have any impact on this RSA filing or otherwise affect the Company's base rates.

WHEREFORE, SCE&G respectfully requests that the Commission (i) accept and review the Company's quarterly monitoring report for the twelve-month period ended March 31, 2018, (ii) on or before October 15, 2018, issue an Initial Order approving SCE&G's adjustments to its rates and charges, implementing the Tax Reform Rate Rider set forth herein, and authorizing SCE&G to increase the levelized annual amortization amount for the regulatory asset authorized by Order No. 2014-1034 by \$1,301,127 to \$3,182,300 beginning in November 2018, and (iii) grant such other and further relief as is just and proper.

Respectfully submitted,



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 Matthew W. Gissendanner, Esquire
South Carolina Electric & Gas Company
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 Cayce, South Carolina 29033
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Attorneys for
 South Carolina Electric & Gas Company

June 15, 2018

Cayce, South Carolina

EXHIBIT A
Page 1 of 6South Carolina Electric & Gas Company
Operating Experience - Total Gas
For the Test Year Ended March 31, 2018

Description	Per Regulatory Books	Accounting & Pro Forma Adjustments	As Adjusted	Total Proposed Decrease	Total After Proposed Decrease
Operating Revenues	\$ 421,336,443	\$ 6,138,455	\$ 427,474,898	\$ (18,737,191)	\$ 408,737,707
Operating Expenses:					
O&M Expenses - Cost of Gas	217,311,051	-	217,311,051		217,311,051
O&M Expenses - Other	69,228,228	(588,111)	68,640,117		68,640,117
Dep. & Amort. Expenses	30,583,901	5,077,751	35,661,652		35,661,652
Taxes Other Than Income	29,711,521	1,952,627	31,664,148	(101,424)	31,562,724
Total Income Taxes	15,241,540	(3,888,122)	11,353,418	(4,849,524)	8,703,794
Total Operating Expenses	362,058,242	2,554,145	364,610,388	(4,751,048)	359,859,338
Total Operating Income	59,280,201	3,584,311	62,864,512	(13,986,143)	48,878,369
Customer Growth	1,046,657	83,285	1,109,942	(246,988)	862,955
Interest on Customer Deposits	(212,000)	-	(212,000)		(212,000)
Net Income for Return	60,114,858	3,647,596	63,762,454	(14,233,131)	49,529,323
Rate Base:					
Gross Plant in Service	1,201,498,092	(653,408)	1,200,844,684		1,200,844,684
Reserve for Depreciation	453,162,671	186,544	453,349,215		453,349,215
Net Plant in Service	748,335,421	(839,952)	747,495,469		747,495,469
Construction Work in Process	17,453,281	(592)	17,452,689		17,452,689
Accum. Deferred Income Taxes	(92,737,900)	(493,112)	(93,231,012)		(93,231,012)
Environmental Costs	10,840,609	-	10,840,609		10,840,609
Pension Deferral	6,814,333	-	6,814,333		6,814,333
OPEB's	(18,276,348)	(32,114)	(18,308,460)		(18,308,460)
Tax Deferrals	(82,781,500)	1,976,400	(80,805,100)		(80,805,100)
Injuries & Damages	(1,192,502)	-	(1,192,502)		(1,192,502)
Materials & Supplies	19,695,989	-	19,695,989		19,695,989
Total Working Capital	8,653,629	(73,514)	8,580,015		8,580,015
Prepayments	11,123,999	-	11,123,999		11,123,999
Average Tax Accruals	(14,235,440)	-	(14,235,440)		(14,235,440)
Customer Deposits	(9,654,088)	-	(9,654,088)		(9,654,088)
Total Rate Base	604,039,363	- 537,116	604,576,479	-	604,576,479
Rate of Return	9.95%		10.55%		8.19%
Return on Equity	13.55%		14.67%		10.25%

SCE&G

Weighted Cost of Capital
March, 2018

Description	Pro Forma Capital Structure	Pro Forma Ratio	Rate Base	Embedded Cost/Return	Overall Cost/Return	Income For Return
Long-Term Debt	\$ 4,828,770,000	46.67%	\$ 283,364,996	5.66%	2.75%	\$ 16,605,189
Preferred Stock	100,000	0.00%	-	0.00%	0.00%	-
Common Equity	5,557,565,965	53.13%	321,211,483	10.25%	5.45%	32,924,134
Totals	\$ 10,516,435,965	100.00%	\$ 604,576,479		8.19%	\$ 49,529,323

In compiling the financial information contained in Exhibit A, SCE&G has excluded from its capital structure the effects of impairments recorded for financial reporting purposes in response to uncertainties concerning the recovery of its investment in the new nuclear development project as such recovery is required under the Base Load Review Act, S.C. Code Ann. § 58-33-210 et seq. SCE&G believes that law and regulatory policy support the full recovery of the amounts in question and that it constitutes an unlawful confiscation of private property to deny recovery of these amounts. Accordingly, and in keeping with its position in regulatory proceedings and filings associated with its base gas business and filings associated with the recovery of new nuclear project investment, SCE&G has computed the returns set forth herein based on its pre-impairment capital structure.

EXHIBIT A
Page 2 of 6SOUTH CAROLINA ELECTRIC & GAS COMPANY
For the Test Year Ended March 31, 2018

ADJ #	DESCRIPTION	REVENUE	O&M EXPENSE	DEPR & AMORT EXPENSE	TAXES OTHER THAN INCOME	STATE INCOME TAX @ 6%	FEDERAL INCOME TAX @ 21%	PLANT IN SERVICE	ACCUM DEPR	CWIP	ADIT	DEFERRED DEBITS & CREDITS	WORKING CAPITAL
1	ANNUALIZE WAGES, BENEFITS AND PAYROLL TAXES		184,077		13,024	(9,855)	(39,322)						23,010
2	INCENTIVE COMPENSATION ADJUSTMENT		(39,838)		(14,283)	2,708	10,797						(4,980)
3	REMOVE EMPLOYEE CLUBS			(13,038)		852	2,601	(533,020)	(214,565)	(592)			
4	RECOGNIZE PROPERTY RETIREMENTS, DEPRECIATION RESERVES							(120,388)	(120,388)				
5	RECOGNIZE PROPERTY ADDITIONS/ADJUSTMENTS, PLANT IN SERVICE							-		-			
6	ANNUALIZE DEPRECIATION- RESERVE ADJUSTMENT			515,776		(25,789)	(102,897)		521,497				
7	ANNUALIZE PROPERTY TAXES				1,920,658	(96,033)	(383,171)						
8	ANNUALIZE CUSTOMER AWARENESS CAMPAIGN EXPENSES		(138,168)			6,908	27,564						(17,271)
9	ANNUALIZE HEALTH CARE EXPENSES		(1,157,163)			57,858	230,854						(144,645)
10	OTHER POST-EMPLOYEE BENEFITS (OPEB)		42,790			(2,140)	(8,537)					(32,114)	5,349
11	ANNUALIZE INSURANCE EXPENSE		(1,929)			96	385						(241)
12	TAX EFFECT OF ANNUALIZED INTEREST					(738)	(2,943)						
13	PENSION - CURRENT EXPENSE		(749,939)			37,497	149,613						(93,742)
14	WNA AMORTIZATION			4,575,013		(228,751)	(912,715)						
15	ANNUALIZED REVENUE INCREASE (Order No. 2017-923)	2,245,304			12,154	111,658	445,513						
16	TAX REFORM - AMORTIZATION OF EXCESS DEFERRED TAXES						(1,977,718)				(493,112)	1,976,400	
17	TAX REFORM - NORMALIZE TEST YEAR REVENUES	3,893,151			21,074	193,604	772,480						
18	TAX REFORM - ANNUALIZE CURRENT TAX EXPENSE						(1,830,923)						-
19	PIPELINE INTEGRITY MANAGEMENT AMORTIZATION		1,301,127			(65,056)	(259,575)						162,641
20	REMOVE NON-ALLOWABLE EXPENSES FOR RATEMAKING PURPOSES		(29,071)			1,454	5,800						(3,834)
	TOTAL ADJUSTMENTS	6,138,455	(588,111)	5,077,751	1,952,627	(15,928)	(3,872,194)	(653,408)	186,544	(592)	(493,112)	1,944,286	(73,514)

EXHIBIT A
Page 3 of 6

South Carolina Electric & Gas Company
Computation of Proposed Decrease
For the Test Year Ended March 31, 2018

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Requested</u>
	(Col. 1)	(Col. 2)
1	Jurisdictional Rate Base	604,576,479
2	Required Rate of Return	<u>8.19%</u>
3	Required Return	49,529,323
4	Actual Return Earned	<u>63,762,454</u>
5	Required Decrease to Return	(14,233,131)
6	Factor to Remove Customer Growth	<u>1.0176561</u>
7	Required Decrease to Return (Adjusted for Customer Growth)	(13,986,189)
8	Composite Tax Factor	<u>0.74644</u>
9	Required Revenue Decrease	<u>(18,737,191)</u>
10	Proposed Revenue Decrease	<u>(18,737,191)</u>
	Additional Expenses	
11	Gross Receipts & PSC Support Tax @ .5413%	(101,424)
12	State Income Tax @ 5%	(931,788)
13	Federal Income Tax @ 21%	<u>(3,717,836)</u>
14	Total Taxes	<u>(4,751,048)</u>
15	Additional Return	(13,986,143)
16	Additional Customer Growth	<u>(246,988)</u>
17	Total Additional Return	(14,233,131)
18	Earned Return	<u>63,762,454</u>
19	Total Return as Adjusted	49,529,323
20	Rate Base	604,576,479
21	Rate of Return	8.19%

South Carolina Electric & Gas Company
Weighted Cost of Capital
March, 2018

EXHIBIT A
Page 4 of 6

Description	Pro Forma Capital Structure	Pro Forma Ratio	Regulatory Per Books				As Adjusted				After Proposed Decrease			
			Rate Base	Embedded Cost/Return	Overall Cost/Return	Income For Return	Rate Base	Embedded Cost/Return	Overall Cost/Return	Income For Return	Rate Base	Embedded Cost/Return	Overall Cost/Return	Income For Return
Long-Term Debt	\$ 4,928,770,000	48.87%	\$ 283,113,249	8.86%	2.78%	\$ 16,590,436	\$ 283,364,908	5.58%	2.75%	\$ 16,603,189	\$ 283,364,906	8.89%	2.78%	\$ 16,605,189
Preferred Stock	100,000	0.00%	-	0.00%	0.00%	-	-	0.00%	0.00%	-	-	0.00%	0.00%	-
Common Equity	8,567,868,965	53.13%	\$ 20,826,114	13.55%	7.20%	\$ 43,624,422	\$ 21,211,483	14.87%	7.90%	\$ 47,187,265	\$ 21,211,483	10.25%	8.45%	\$ 32,824,134
Totals	\$ 10,816,435,965	100.00%	\$ 604,039,363		9.98%	\$ 60,114,858	\$ 604,576,479		10.55%	\$ 63,762,454	\$ 604,576,479		8.16%	\$ 49,529,323

In compiling the financial information contained in Exhibit A, SCE&G has excluded from its capital structure the effects of impairments recorded for financial reporting purposes in response to uncertainties concerning the recovery of its investment in the new nuclear development project as such recovery is required under the Base Load Review Act, S.C. Code Ann. § 88-33-210 et seq. SCE&G believes that law and regulatory policy support the full recovery of the amounts in question and that it constitutes an unlawful confiscation of private property to deny recovery of these amounts. Accordingly, and in keeping with its position in regulatory proceedings and filings associated with its base gas business and filings associated with the recovery of new nuclear project investment, SCE&G has computed the returns set forth herein based on its pre-impairment capital structure.

Exhibit A
Page 5 of 6

CERTIFICATION

I, Jimmy E. Addison, state and attest, under penalty of perjury, that the attached Quarterly Report of Gas Distribution Operations is filed on behalf of South Carolina Electric & Gas Company as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes; Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Signature of Chief Executive Officer

Jimmy E. Addison

Typed or Printed Name of Person Signing

Chief Executive Officer

Title

6/14/18

Date Signed

Subscribed and Sworn to me on this 14th of June,
2018.


Notary Public

My Commission Expires:

07/25/21

Exhibit A
Page 6 of 6

CERTIFICATION

I, Iris N. Griffin, state and attest, under penalty of perjury, that the attached Quarterly Report of Gas Distribution Operations is filed on behalf of South Carolina Electric & Gas Company as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes; Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

Iris N. Griffin
Signature of Chief Financial Officer

Iris N. Griffin
Typed or Printed Name of Person Signing

Chief Financial Officer
Title

6-14-18
Date Signed

Subscribed and Sworn to me on this 14th of June,
2018.

Cynthia Lee Moore
Notary Public

My Commission Expires: 07/25/21

SOUTH CAROLINA ELECTRIC & GAS COMPANY

PROPOSED RATES

Rate 31	Small Firm General Service
Rate 32 Value	Residential Value Service
Rate 32 Standard	Residential Standard Service
Rate 33	Medium Firm General Service
Rate 34	Large General Service
Rate 35	Firm Transportation and Standby Service
Rate 36	Gas Lighting
Rider to Rates 31, 32V, 32S, 33 and 34	Service for Air Conditioning
Weather Normalization Adjustment	Adjustment Determination

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RATE 31

GENERAL SERVICE

AVAILABILITY

Available only to those customers having firm requirements on a peak day of less than 500 therms and using the Company's service for general commercial, industrial, agricultural, religious or charitable purposes. Only for residential where more than one dwelling unit is supplied through one meter. It is not available for resale.

RATE PER MONTH

Basic Facilities Charge:	November - April	\$22.88	\$20.42
	May - October	\$19.84	\$16.25

Plus Commodity Charge:

All therms @ ~~\$0.88428~~ \$0.93924 per therm

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to the commodity charges for the billing months of November-April above will be made in accordance with the Weather Normalization Adjustment.

DEKATHERM BILLING

Customers that have installed chart metering facilities may be billed on a per Dekatherm basis (1 dekatherm = 10 therms). The amount per dekatherm will be determined by multiplying the above by 10.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

UNMETERED GAS LIGHTING PROVISION

Gas used for lighting will be determined based on BTU ratings of fixtures installed and will be billed the commodity charges listed above.

SEASONAL BLOCK CHARGE

A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premise within a 12 month period. This is commonly referred to as seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated above. In determining the months of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours, an additional charge of \$20.00 will be added to the charges as calculated above.

ADJUSTMENT FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$0.47856 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

TAX REFORM RATE RIDER

The commodity charges above include a decrease related to tax reform of \$0.02365 per therm for the refund of income taxes charged through rates and will be applicable as approved by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. The peak day requirement contained in the Availability will be determined in the same manner as the determination of the category for curtailment of retail customers. A separate contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2018

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RATE 32V

RESIDENTIAL VALUE SERVICE

(Page 1 of 2)

AVAILABILITY

This rate schedule is only available to residential customers that meet the special provisions as listed below and are using the Company's service in individually metered private residences. For apartments or multi-family structures having not more than two (2) dwelling units, gas service for a central heating system for the entire building may be included in the account of one of the dwelling units. All gas service supplied to the second dwelling unit will be separately metered to comply with the provisions of this rate.

RATE PER MONTH

Basic Facilities Charge:	\$10.00	\$10.90
Plus Commodity Charge:		
All Therms @	\$1.12425	\$1.01538 per therm

SPECIAL PROVISIONS

1. This rate schedule is available to those accounts where there is an average usage of at least 10 therms during the billing months of June, July and August. The average usage is derived by combining the therm usage for each of the billing months previously listed and dividing by three.
2. Therm usage during a billing month of other than 30 days, used to determine eligibility under this rate schedule, shall be adjusted to a 30 day billing period by application of a fraction, the numerator of which shall be 30 and the denominator of which shall be the actual number of days in the billing period.
3. The calculation as described in 1. above will be performed annually for each residential account. Accounts not meeting the standards of Rate 32V will be placed on Rate 32S beginning with the billing month of November of each year.
4. Availability of this rate schedule for new premises will be based on reasonably anticipated base load usage. Availability of this rate schedule for new accounts at existing premises will be based on the previous account's usage. If this usage is unavailable, the customer will be initially placed on Rate 32S Residential Standard Service.

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to the commodity charges for the billing months of November-April above will be made in accordance with the Weather Normalization Adjustment.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

UNMETERED GAS LIGHTING PROVISION

Gas used for lighting will be determined based on the BTU rating of fixtures installed and will be billed the commodity charges listed above.

SEASONAL BLOCK CHARGE

A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premise within a 12 month period. This is commonly referred to as seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated above. In determining the months of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours, an additional charge of \$20.00 will be added to the charges as calculated above.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2018

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RATE 32V

RESIDENTIAL VALUE SERVICE

(Page 2 of 2)

ADJUSTMENT FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$0.58998 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

TAX REFORM RATE RIDER

The commodity charges above include a decrease related to tax reform of \$0.00770 per therm for the refund of income taxes charged through rates and will be applicable as approved by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. A separate contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2018

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RATE 32S

RESIDENTIAL STANDARD SERVICE

AVAILABILITY

This rate schedule is only available to residential customers that are not eligible for rate schedule 32V Residential Value Service and are using the Company's service in individually metered private residences. For apartments or multi-family structures having not more than two (2) dwelling units, gas service for a central heating system for the entire building may be included in the account of one of the dwelling units. All gas service supplied to the second dwelling unit will be separately metered to comply with the provisions of this rate.

RATE PER MONTH

Basic Facilities Charge:

November - April	\$40.89	\$10.90
May - October	\$40.80	\$10.90

Plus Commodity Charge:

All Therms @ \$4.48426 \$1.07538 per therm

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to the commodity charges for the billing months of November-April above will be made in accordance with the Weather Normalization Adjustment.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

UNMETERED GAS LIGHTING PROVISION

Gas used for lighting will be determined based on the BTU rating of fixtures installed and will be billed the commodity charges listed above.

SEASONAL BLOCK CHARGE

A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premises within a 12 month period. This is commonly referred to as seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated above. In determining the months of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours, an additional charge of \$20.00 will be added to the charges as calculated above.

ADJUSTMENT FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$0.58998 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

TAX REFORM RATE RIDER

The commodity charges above include a decrease related to tax reform of \$0.00770 per therm for the refund of income taxes charged through rates and will be applicable as approved by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. A separate contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2018

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RATE 33

MEDIUM GENERAL SERVICE

AVAILABILITY

Available only to those customers using the Company's service for firm general commercial, industrial, agriculture, religious or charitable purposes and for residential where more than one dwelling unit is supplied through one meter. Also, this rate schedule is only available where there is an average usage of at least 130 therms during the billing months of June, July and August. The average usage is derived by combining the therm usage for each of the billing months previously listed and dividing by three. It is not available for resale.

RATE PER MONTH

Basic Facilities Charge:	—	\$30.57	\$27.01
Plus Commodity Charge:			
	All Therms @	\$0.84428	\$0.88924 per therm

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to the commodity charges for the billing months of November-April above will be made in accordance with the Weather Normalization Adjustment.

DEKATHERM BILLING

Customers that have installed chart metering facilities may be billed on a per Dekatherm basis (1 dekatherm = 10 therms). The amount per dekatherm will be determined by multiplying the above by 10.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

UNMETERED GAS LIGHTING PROVISION

Gas used for lighting will be determined based on BTU ratings of fixtures installed and will be billed the commodity charges listed above.

SEASONAL BLOCK CHARGE

A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premise within a 12 month period. This is commonly referred to as seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated above. In determining the months of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours, an additional charge of \$20.00 will be added to the charges as calculated above.

ADJUSTMENT FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$0.47858 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

TAX REFORM RATE RIDER

The commodity charges above include a decrease related to tax reform of \$0.02385 per therm for the refund of income taxes charged through rates and will be applicable as approved by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. A separate contract shall cover each meter at each location. No contract shall be written for less than twelve (12) months.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2018

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RATE 34

LARGE GENERAL SERVICE

AVAILABILITY

Available only to those customers having firm requirements and a maximum daily quantity (MDQ) of at least 50 Dekatherms or greater and using the Company's service for industrial manufacturing or large commercial operations. It is not available for resale service.

MAXIMUM DAILY QUANTITY (MDQ)

The actual MDQ shall be the greatest amount of gas delivered to the customer during any day (10:00 a.m. to 10:00 a.m.) of the current billing month.

RATE PER MONTH

Monthly Demand Charge:

First 50 Dekatherms @	\$606.50	\$573.50	
Excess over 50 Dekatherms @	\$8.26	\$7.62	per Dekatherm

Commodity Charge @	\$7.4785	\$7.0495	per Dekatherm
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DETERMINATION OF BILLING DEMAND

- (a) **Billing Months of November-April:**
The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) The contract MDQ; or (3) 50 Dekatherms.
- (b) **Billing Months of May-October:**
The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) 50% of the contract MDQ; or (3) 50% of the highest MDQ occurring during any of the preceding billing months of November-April; or (4) 50 Dekatherms.

MINIMUM CHARGE

The monthly minimum charge shall be the demand charge as determined above.

ADJUSTMENT FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$5.5735 per dekatherm. These charges are subject to adjustment by order of the Public Service Commission of South Carolina.

TAX REFORM RATE RIDER

The commodity charges above include a decrease related to tax reform of \$0.04481 per dekatherm for the refund of income taxes charged through rates and will be applicable as approved by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Service hereunder shall be provided under a written contract, with a minimum initial term of one year with automatic extensions, unless terminated by either party in accordance with the terms of contract. In the event of a default to the contract, this rate schedule and the General Terms and Conditions will constitute a contract for a term of six months. A separate written contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2018

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RATE 36

TRANSPORTATION AND STANDBY SERVICE
(Page 1 of 2)

AVAILABILITY

Transportation service is available to any customer who has firm requirements of 50 Dekatherms Maximum daily Quantity (MDQ) or greater and, who owns and delivers gas to the Company at an acceptable point of connection, for delivery by the Company to the customer's regular point of service.

Service will be supplied at the best efforts of the Company and may be restricted from time to time due to operating limitations on the Company's system or from third party restrictions. In the event of such limitations, the transportation service is subordinate to service under all other rate schedules and may be curtailed or interrupted, normally upon not less than two hours advance notice, or, when necessitated by conditions affecting the Company's gas system, upon less than two hours advance notice.

RATE PER MONTH

Transportation Service

Monthly Demand Charge:

First	50 Dekatherms @	\$605.50	\$573.50	
Excess over	50 Dekatherms @	\$8.26	\$7.62	per Dekatherm
Commodity Charge @		\$4.6469	\$1.4879	per delivered Dekatherm

DETERMINATION OF BILLING DEMAND

- (a) **Billing Months of November-April:**
The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) The contract MDQ; or (3) 50 Dekatherms.
- (b) **Billing Months of May-October:**
The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) 50% of the contract MDQ; or (3) 50% of the highest MDQ occurring during any of the preceding billing months of November-April; or (4) 50 Dekatherms.

Standby Service

In addition to the demand charges for transportation service the following charges will apply for gas supplied by the Company.

- (a) **Billing Months of November-April:**
The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) The contract MDQ; or (3) 50 Dekatherms.
- | | | | |
|--------------------|----------|----------|---------------|
| Demand Charge @ | \$6.00 | \$6.00 | per Dekatherm |
| Commodity Charge @ | \$7.4785 | \$7.0495 | per Dekatherm |
- (b) **Billing Months of May-October:**
- | | | | |
|--------------------|----------|----------|---------------|
| Demand Charge @ | None | None | |
| Commodity Charge @ | \$7.4785 | \$7.0495 | per Dekatherm |

MINIMUM CHARGE

The monthly minimum charge shall be the demand charges as determined above.

ADJUSTMENT FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$5.5735 per dekatherm. These charges are subject to adjustment by order of the Public Service Commission of South Carolina.

TAX REFORM RATE RIDER

The commodity charges above include a decrease related to tax reform of \$0.04481 per dekatherm for the refund of income taxes charged through rates and will be applicable as approved by order of the Public Service Commission of South Carolina.

DELIVERED GAS QUANTITY

When separate metering is not feasible, the Company shall assume for billing purposes, unless otherwise agreed to, that such metered volumes reflect deliveries under this rate schedule prior to gas received under any other rate schedule.

The quantity of transportation gas received into the Company's system for the customer's account to be delivered to the customer by the Company shall be reduced by 3% in measurement for line loss and unaccounted for gas.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2018

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RATE 35

TRANSPORTATION AND STANDBY SERVICE

(Page 2 of 2)

DELIVERED GAS QUANTITY

The volume of gas received on a daily basis for customer's account may not equal the volume, less shrinkage, delivered to the customer. The result will be deemed an imbalance. Customer's account will be reviewed at the end of each month, or on termination of Transportation Service or curtailment or discontinuance thereof. If the imbalance is such that the customer has received more gas than was delivered to the Company during the period under review, customer shall be billed for such as standby service. If the imbalance is such that the customer has received less gas than was delivered to the Company, the Company may exercise one of two options, in its sole discretion. The Company may: (1) deliver the excess gas to the customer, over the next calendar month succeeding the review, at such times as the Company shall determine in its sole discretion; or (2) buy excess gas at Company's lowest delivered purchase price in that month from any of Company's suppliers.

LIABILITY

The Company shall not be liable for curtailment of service under this rate schedule or loss of gas of the customer as a result of any steps taken to comply with any law, regulation, or order of any governmental agency with jurisdiction to regulate, allocate or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation, or order.

Gas shall be and remain the property of the customer while being transported and delivered by the Company. The customer shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during, and after receipt by the Company.

The Company shall not be liable for any loss to the customer arising from or out of service under this rate schedule, including loss of gas in the possession of the Company or any other cause, except gross or willful negligence of the Company's own employees or agents. The Company reserves the right to commingle gas of the customer with other supplies.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

The customer shall execute an Agreement of Service with the Company which shall specify the maximum daily volume of gas to be transported, the period of time that the Company will receive such gas, and all conditions under which delivery to the Company will be accepted and delivery to the customer will be made. The customer must provide the Company with all necessary documentation of ownership and authorization required by any regulatory body with jurisdiction.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

ANNUAL NOMINATION

Customers must elect to receive a) Transportation Service only, b) Transportation Service with Standby Service, or c) Standby Service only for each applicable period. Such elections must be made to the Company in writing by October 15th of each year to be effective for each month during the period November 1st to October 31st following. New customers under this tariff shall elect volumes at the time their service contract becomes effective. If no prior election has been made then the customer will receive Standby Service only. If any customer fails to make a timely election, then the prior period election will carry over for the following period. All elections shall be binding for the duration of the November 1st to October 31st period and may not be revoked, suspended or modified by the Customer.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2018

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RATE 38

GAS LIGHTING

AVAILABILITY

EFFECTIVE FOR BILLS RENDERED ON AND AFTER THE FIRST BILLING CYCLE OF NOVEMBER 2005 THIS SCHEDULE IS CLOSED AND NOT AVAILABLE TO ANY NEW STRUCTURE OR APPLIANCE.

RATE

All lighting service where fixtures are mounted on Company's ornamental poles which are a part of Company's distribution system will be charged for at the following rate per light.

<u>SIZE</u>	<u>Lamp Charges per Month</u>		<u>Average Therms Usage per Month</u>
Two Mantle fixture complete	\$19.80	\$19.77	15
Three Mantle fixture complete	\$25.70	\$25.53	22
Four Mantle fixture complete	\$34.74	\$31.49	29

ADJUSTMENT FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$0.58998 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

TAX REFORM RATE RIDER

The commodity charges above include a decrease related to tax reform of \$0.00770 per therm for the refund of income taxes charged through rates and will be applicable as approved by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Service hereunder shall be provided under written contract, with the initial term of contract of five years and, there after, for one-year periods until terminated by either party on ninety days written notice.

SPECIAL PROVISIONS

The company will furnish, erect, operate and maintain all necessary equipment in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between such non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2018

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RIDER TO RATES 31, 32V, 32S, 33 AND 34

SERVICE FOR AIR CONDITIONING

(Page 1 of 2)

AVAILABILITY

EFFECTIVE FOR BILLS RENDERED ON AND AFTER THE FIRST BILLING CYCLE OF NOVEMBER 2005 THIS SCHEDULE IS CLOSED AND NOT AVAILABLE TO ANY NEW APPLIANCE.

This rider is available to those customers which have installed and are regularly operating a gas-fired central air cooling system or have installed and are regularly operating a gas-fired central combination air cooling and heating system. Service under this rider shall be available subject to the specifications below at customer's request and with Company certification of customer's installed gas-fired central air cooling system or gas-fired central combination air cooling and heating system. It is not available for resale service. At the company's discretion, service offered under this rider may be limited and applied only to those customers currently receiving service under this rider.

INDUSTRIAL AND COMMERCIAL, RATES 31, 33 AND 34

METERING

The volume of gas used for service under this rider will be determined by separate metering equipment installed by the Company. All costs associated with the separate metering are borne by the customer.

Available to those customers qualifying for service under General Service Rates 31 & 33.

SPECIFICATION A - Customer with gas-fired cooling systems.

**RATE PER MONTH
(All Months)**

Basic Facilities Charge:	\$24.90	\$18.34
Commodity Charge:		
All therms @	\$0.57688	\$0.55323 per therm

SPECIFICATION B - Customer with gas-fired Central combination air cooling and heating systems.

**RATE PER MONTH
(During the Billing Months of May through October)**

Basic Facilities Charge:	\$24.90	\$18.34
Commodity Charge:		
All therms @	\$0.57688	\$0.55323 per therm

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$0.47856 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

TAX REFORM RATE RIDER

The commodity charges above include a decrease related to tax reform of \$0.02365 per therm for the refund of income taxes charged through rates and will be applicable as approved by order of the Public Service Commission of South Carolina.

DEKATHERM BILLING

Customers that have installed chart metering facilities may be billed on a per Dekatherm basis (1 Dekatherm = 10 therms). The amount per Dekatherm will be determined by multiplying the above rates by 10.

Available to those customers qualifying for service under Large General Service Rates 34.

Rate 34G - Customer with gas-fired Central combination air cooling and heating systems.

**RATE PER MONTH
(All Months)**

Commodity Charge:		
All therms @	\$0.74459	\$0.74002 per therm

ADJUSTMENT FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$0.55735 per therm. These charges are subject to adjustment by order of the Public Service Commission of South Carolina.

REFUND OF TAX REFORM RESERVE

The commodity charges above include a decrease related to tax reform of \$0.00448 per therm for the refund of income taxes charged through rates and will be applicable as approved by order of the Public Service Commission of South Carolina.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2018

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RIDER TO RATES 31, 32V, 32S, 33 AND 34

SERVICE FOR AIR CONDITIONING

(Page 2 of 2)

DEKATHERM BILLING

Customers that have installed chart metering facilities may be billed on a per Dekatherm basis (1Dekatherm = 10 therms). The amount per Dekatherm will be determined by multiplying the above rates by 10.

RESIDENTIAL RATES 32V & 32S

Available only to residential customers qualifying for service under Firm Residential Service Rate 32V & 32S and having a gas-fired central air cooling system or gas-fired central combination air cooling and heating system using the Company's service in private residences. For apartments or multi-family structures having not more than two (2) dwelling units, gas service for a gas-fired central air cooling system or a gas-fired central combination air cooling and heating system for the entire building may be included in the account of one of the dwelling units. All gas service supplied to the second dwelling unit will be separately metered to comply with the provisions of Rate 32V & 32S.

SPECIFICATION B - Customer with gas-fired central combination air cooling and heating systems.

**RATE PER MONTH
(All Months)**

Basic Facilities Charge:	\$10.00	\$10.90
Commodity Charge:		
All therms @	\$0.75820	\$0.75050 per therm

ADJUSTMENT FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$0.58998 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

TAX REFORM RATE RIDER

The commodity charges above include a decrease related to tax reform of \$0.00770 per therm for the refund of income taxes charged through rates and will be applicable as approved by order of the Public Service Commission of South Carolina.

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to commodity charges for the billing months of November - April will be made in accordance with the Weather Normalization Adjustment.

GENERAL

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

TERMS OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. A separate contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2018

SOUTH CAROLINA ELECTRIC & GAS COMPANY WEATHER NORMALIZATION ADJUSTMENT

APPLICABILITY

This Weather Normalization Adjustment (WNA) is applicable to and is a part of the Company's firm gas rate schedules 31, 32V, 32S, and 33. The commodity charges per therm for each customer account during the billing months of November through April will be increased or decreased in an amount to the nearest one-thousandth of a cent, as derived by the following formula:

$$WNA = \frac{WSL \times R}{ATH - BTH}$$

$$\text{Where: } WSL = \frac{ATH - BTH}{ADD} \times (NDD - ADD)$$

WNA = Weather Normalization Adjustment factor for a particular account expressed in dollars per therm.

WSL = Weather Sensitive Load which is the difference in the amount of therms that would have been consumed by the customer during normal weather and the amount of therms actually consumed.

R = Approved rate less cost of gas for applicable rate schedule determined as follows:

Rate 32V		Rate 32S	
R= \$0.53455	R= \$0.42868	R= \$0.59455	R= \$0.48868

TAX REFORM RATE RIDER

The commodity charges above include a decrease related to tax reform of \$0.00770 per therm for the refund of income taxes charged through rates and will be applicable as approved by order of the Public Service Commission of South Carolina.

Rate 31		Rate 33	
R= \$0.51612	R= \$0.46407	R= \$0.46612	R= \$0.41407

TAX REFORM RATE RIDER

The commodity charges above include a decrease related to tax reform of \$0.02365 per therm for the refund of income taxes charged through rates and will be applicable as approved by order of the Public Service Commission of South Carolina.

ATH = Actual therms consumed by customer during current billing period.

BTH = Base load therms which is the average of the therms consumed by customer during the previous billing months of June, July and August. If BTH is greater than ATH, then BTH will equal to ATH. If base load therms cannot be determined, then base load therms will be as follows:

Rate 32V = 18 therms	Rate 32S = 4 therms
Rate 31 = 19 therms	Rate 33 = 739 therms

NDD = Normal heating degree days during customer's billing period authorized by the Commission.

ADD = Actual heating degree days during customer's billing period.

The appropriate revenue related tax factor is to be included in these calculations.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2018